Marketing Lec (3) 8/10/2016

* There are two cycles :

[1] Production cycle ,

- Production cycle starts and ends with Customer.

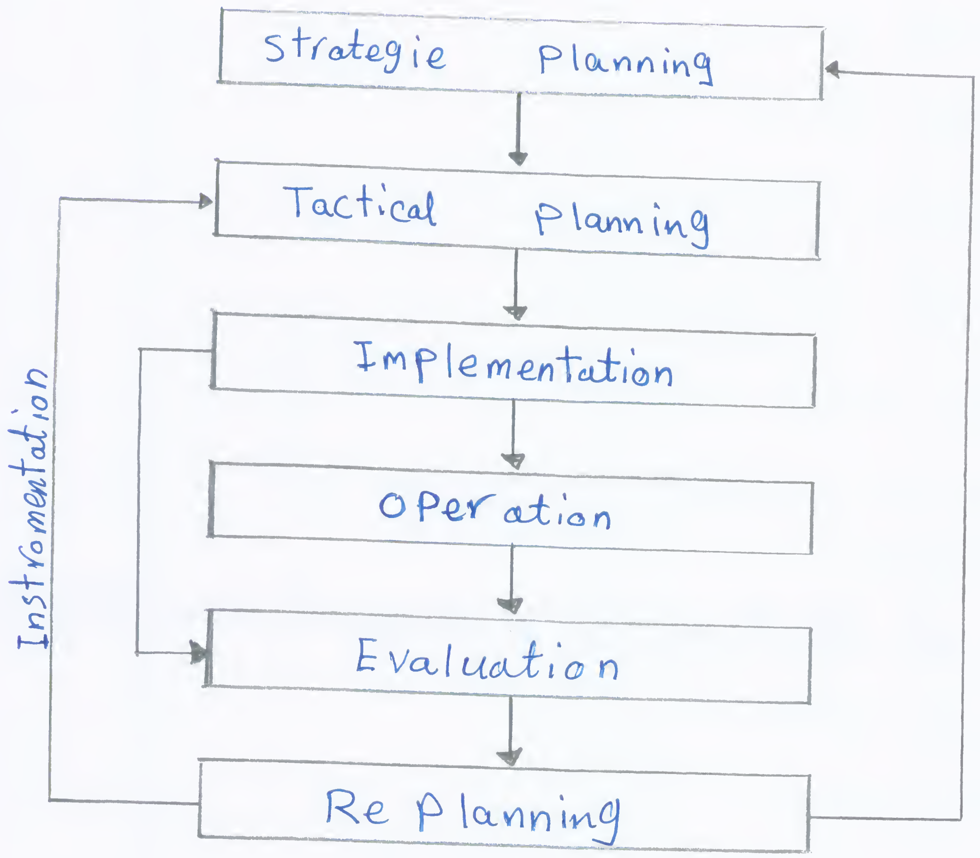
[2] Production - Consumption cycle :

- (a_p Production rate)
- (a_c consumption rate) * For good Market = $a_p > a_c$

note : Depreciation الإهلاك

- نقصان القيمة المادية للعملة الورقية الممتلكات داخل الإقليم .

Production - Consumption Diagram :



* Prod-Cons cycle includes facilities and abilities as follows:

(1) Production Design (Standrazitation - specialization - simplifaction)

(2) Job and Process Design (Job sequence and Labor)

(3) Equipment selection and Replacement (high Quality)

(4) Labor skills (Time - Quality - profit)

(5) Input materials selection (high Quality)

(6) Plant selection (Large-space Places - Production, transport and storage Places)

(7) scheduling steps (Market Planning)

(8) Implementing and Controlling the schedule (Control Quality - Marketing - Distrbution

(9) operating the production system (Planning - advising - checking - Prod. size)

* Prod. Cons Diagram includes Consideration of control system as Follows:

(1) Inventory - control Policies

(2) Quality - control Policies

(3) Production schedule Policies

(4) Productivity & cost - control Policies

(5) constructing - control system

(6) Implementing and controlling system

(7) modifiying Policies

* the measures of effectiveness for the design of total production system:

(1) costs of running system

(2) Quality of the output

(3) Production rate and productive capacity

(4) Flexibity to adjust to change circumstances

(5) Social value of system

* Money :

- الثمن الفعلي لكل ما يوجد بالصناعة

- Costs :

$\boxed{1}$ Varible Costs (Direct costs) :

- Material Costs (D.M.C)
- Labor costs (D.L.C)

} V.C

* a = varible costs / Piece Product unit (money)

*Production volume = Quantity (units)

$$V.C = (D.M.C) + (D.L.C) = a \cdot Q \ (m.u)$$

$\boxed{2}$ Fixed Costs (indirect costs) :

(i) Overhead Expenses
(ii) Factory Expenses
(iii) Administative Expenses
(iv) Selling Expenses

* Total cost :

T.C = Varible cost + Fixed Cost = V.C. + F.C.
$= F + aQ$

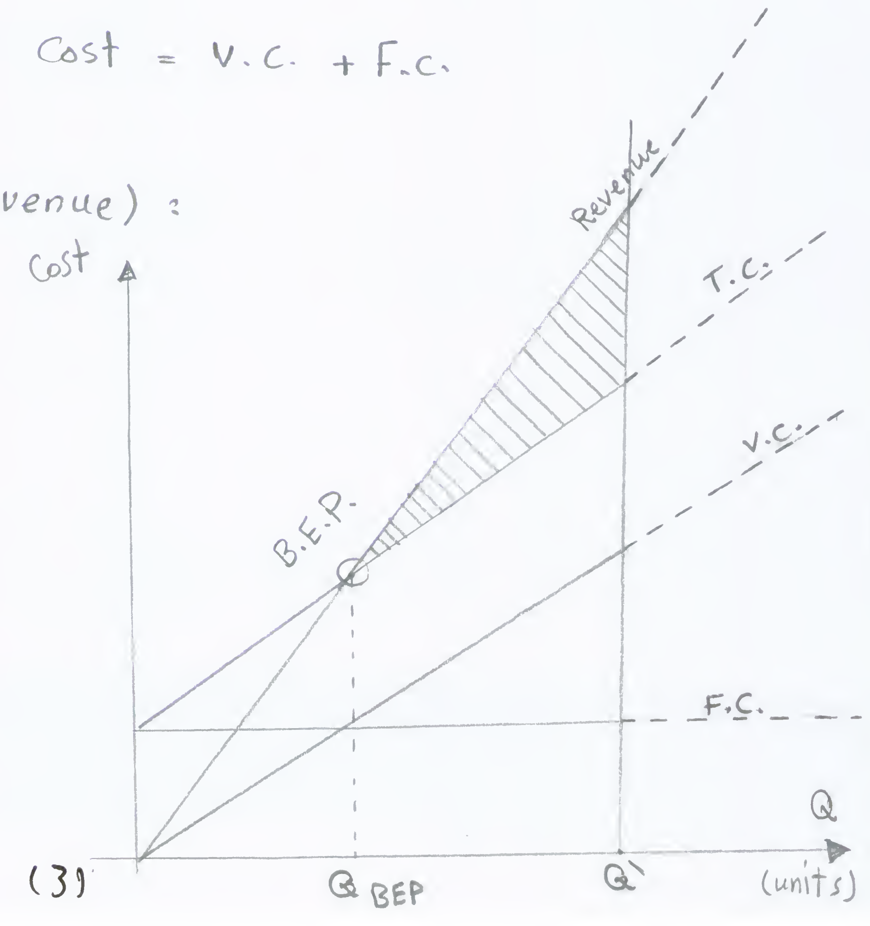
- Sales Income (S.I.) (Revenue) :

T.C. + Profit

- b = S.I. / unit

- Revenue = $b \cdot Q$

- Profit (Z) = R − T.C.



* Q` (Prod. Quantity)
* B.E.P. (Break Even Point)
* Profit Triangle